CHAPTER III
GROWTH AND DEVELOPMENT OF SELF-HELP GROUPS IN PUDUKOTTAI DISTRICT

3.1 INTRODUCTION

In this chapter an attempt has been made to analyze the growth and development of Self-Help Groups in Pudukottai District. Women constitute nearly 50 per cent of the world’s population. Without women, no meaningful activity is possible in the world and women play a vital role in the economic development of a nation. Hence, our Nation’s Father, Mahatma Gandhi had stated that, “Woman is the companion of man, gifted with equal mental capacities, she has the right to participate in the minute details of the activities of man and she has the same right of freedom and liberty as he; she is exalted to a supreme place in her own sphere of activity as man is in his”. Throughout the history of the world, women had collectively struggled against the direct and the indirect barriers to their self-development, their social and political and their economic participation. By the end of the 19th century, women had begun to organize themselves; gradually, they had taken up a number of activities, such as the educations of women, their participation in decision making and so on. Now, women had joined together for their own development
and for their self employment in the form of self-help groups which benefit not only the individual women but also the family and the community as a whole.¹

3.2 ORIGIN OF THE SHGs

Though the Self Help Groups have been functioning in India since 1990, they were actually started in Bangladesh by Mohomed Yunus, during 1970 with the assistance provided by the World Bank. He had organized the rural poor women of Bangladesh into small groups of 10 to 20 members and trained them in the art of saving money for themselves and also for distributing the money saved along with the bank loan for the requirements of the needy women members of the Self-Help Groups. The successful story of this experiment had spread to the other countries of the world.

A Self-Help Group (SHG) is a small economically homogeneous affinity group of rural poor, voluntarily contributing to a common fund to be lent to its members as per the group’s decision.

Karmakar had listed up the following characteristics of the SHGs:

- Members create a common fund by their own regular contributions.
- The groups evolve a flexible system of working sometimes with the help of NGOs and manage the pooled resources in a democratic way.

Loan requests of the members were considered in the periodic meetings and the competing claims of the limited resources were settled by a consensus.

Loan was given on trust with a minimum documentation of the details and without any security.

The loan amounts were small, frequent, for short duration periods and were distributed mainly for unconventional purposes.

The rates of interest varied from group to group and according to the purpose of the loans. Usually the rates were higher than that of the bank rates but were lower than that of the interest charged by money lenders.

At the regular meetings, held by the members, besides collecting money, social and economic issues were also discussed.

Defaults were rare, due to peer group pressure and the intimate knowledge about the end use of the credit amount.

3.3 FORMATION OF SHGS

The Role of NGOs is crucial in the formation and development of SHGs in the villages and concentrated efforts are needed by promoting agency to bring people together by confidence building among them and making them to understand and accept the objectives of the scheme. The role of promoting agency is important in bringing cohesiveness in the group and orienting group members towards group action. The evolution process for the groups to emerge as a strong and vibrant entity would take at least 6 – 12 months.
3.3.1 Eligibility Conditions

Group size should be in the range of 12-20. In case the group size exceed 20 numbers, the age group for the membership will be 18-60. The members should all be married women. Preferences will be given for the poorest women amongst the target group, with focus on widows, deserted and handicapped women.

Priority will be given to SC/ST and other socially backward communities. In any case, all members must be below the poverty line. The groups must be mixed group, being composed of members from the different communities as far as possible. In case of hamlets and colonies populated exclusively by members of a particular community, such exclusive groups may also be formed. Also having more than one member of the same family in the same SHG is to be strictly avoided, as this would lead to bias in decision making and group domination. Group formation should be cleared by NGO, which would be after a period of 3 months from the commencement of group functioning to ensure, proper targeting of the poorest and disadvantaged sections of society.

3.3.2 Stages of Formation

There are three stages of formation and development of Self Help Groups. They are as follows:

3.3.2.1 Forming and Storming Stage (0-3 months)

During this period, people come and sit with suspicion, fear and anxiety. They have high expectation and attendance to the meetings is also not regular. They depend a
lot on the facilitator and raise several doubts. There will be conflicts between individual and group interests. Conflict among members is also seen. During this period, membership gets stabilized, natural leadership starts emerging, norms and procedures are established and members start availing small loans and develop ownership group.

3.3.2.2 Worming Stage (3-4 months)

Members develop mutual trust, group becomes cohesive and peer pressure applied and sustained. Members show concern about the task, performance and start assuming more group responsibilities.

3.3.2.3 Functioning and Developing Stage (6 – 12 months)

Groups start performing various functions that benefit the members. Members’ participation is visible with high attendance. They start contributing to group responsibilities and joint ventures capacity building is more visible through interaction with outsiders and all members feel group impact. At this stage, the group members will not only think about welfare but also involve in the social and cultural activities in the area. A perceptible improvement in the living style of the members and their families is noticed after this stage.

3.4 OBJECTIVES OF THE SHGs

- Development of Leadership Qualities
- Building Self-confidence
- Increasing social awareness
- Improved status of the women in the family and in the society
- Improvement in health and family welfare
- Functional literacy
- Awareness of legal rights
- Economic development
- Inculcating the habit of savings
- Increasing the income earning capacity
- Increase in assets
- Creating access to market, enabling choice of activities
- Getting out of money lenders’ clutches

3.5 MODEL OF THE SHGs

The following are the three kinds of models of SHGs exist in our country:

- Model ‘A’ Comprises of SHGs formed and financed by the banks.
- Models ‘B’ Comprises of SHGs formed by the NGOs and formal agencies like the various government departments but directly financed by the banks.
- Model ‘C’ comprises of SHGs financed by banks using NGOs as financial intermediaries. All the above three models have been adopted by the Self-Help Groups in the study area.
3.6 BASIC PRINCIPLES OF SHGs

The basic principles of the SHGs are:

- The members of the groups should be residents of the same area and must have an affinity in them. Homogeneity of relationship could be in terms of occupation, gender or economic status.
- Savings first, credit thereafter.
- SHG should hold regular meetings.
- Office Bearers should maintain a record of financial and other transactions.
- They should have a prescribed form regarding membership meetings and the like.
- Group leaders should be elected by members and periodically hold office by rotation.
- Transparency in the operations of the group and participatory approach in decision-making.
- Rates of interest on loans should be decided by the group.
- Group liability and peer pressure to act as substitutes for the traditional collateral security.

3.7 INDICATORS OF A SUSTAINABLE SHG

- High degree of cohesion, participation and harmony among members.

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- High degree of transparency and openness in the conduct of SHG meetings and in the handling of finance.
- Ability to meet its own expenditure by meeting SHG administrative costs through subscriptions and service charges.
- Ability to manage its affairs without dependence on NGOs or any other agency.
- Ability to raise external credit on its own from banks and other financial institutions through prompt repayments and proper usage of the credit.
- Ability to meet the financial needs through internal and external sources.
- Clear and long-term organizational visions, missions, objectives and strategies for the SHG’s evolved and developed by themselves.
- Ability to prepare practical annual action plans and execute them with enthusiasm.
- Development of strong linkages with local institutions like Gramasabha of the village panchayat, other Local bodies, Banks, Co-operatives, Parent-Teacher Associations, Schools, Balwadies and such other institutions.
- Strong awareness and local involvement of the SHGs in local and social issues. Local public recognition of the SHG as a model that could be referred to institution with regard to local problems and development issues.
- Participation and strong involvement in Apex bodies like cluster level and block level federations and ability to make use of such participations for the benefit of the SHGs.
The last indicator is the ability to reach out to the poor women around them, network them into SHGs, provide them support and guidance (play a mother’s role for formation of the new SHGs).  

3.8 SIGNIFICANCE OF THE SELF-HELP GROUPS

Since 1990’s the new concept of the group approach for the development of the poor people with a focus on women in the rural areas has come to stay and is gaining momentum as the SHG approach, with the active support of the government’s policy as well as that of the apex institutions such as the Reserve Bank of India, and the National Bank for Agriculture and Rural Development. The experiments of the SHG approach in many Asian countries and particularly in Bangladesh have yielded a positive result with a sustainable development of the poor women in particular.

In March 2003, the total number of new SHGs provided with bank loans was Rs.3,85,560/- and cumulatively the number of new SHGs has become with a provision of loans to the tune of Rs.15,320s million as on March 2003. About 90 percent of the SHGs belonged to women, among the regions in India; the southern region had the highest number of SHGs.

3.9 ROLE OF NGOs IN PROMOTING SHGs

There is no doubt about the fact that the elimination of poverty to an appreciable extent, seems to be not manageable only by Government sector. There are many areas

where it is very difficult for the government sector to intervene efficiently. They need collaboration and co-operation from other non-governmental institutions. For creating opportunity, facilitating, empowering and providing security to the poor, it requires a very wide network comprising a number of factors. Here arises the role of non-governmental organizations in diverse fields to fight against poverty. Because NGOs are the agencies set up by self effecting individuals who wish to make their contribution to make life better for their brethren in society. Their motto is selfless service in their chosen area. In a vast country of a billion – plus like India, it is just not possible or feasible for the government to live up to its promise of a truly welfare state. There are vast areas concerning development and welfare that are left uncovered due to paucity of funds. It is in this scenario that NGOs step in and justify their existence in India.

Since people feel that the Government of to-day has failed to cope with their needs as promised by the agents of the welfare state, they turn to voluntary agencies and NGOs for meeting their short term and long term requirement.

In the poverty reduction process induced by NGOs, special measures are undertaken for protecting the interest of the women. This sort of action is pursued because of the fact that the poor women face a double disadvantage in the society. One is due to their inadequate access to the resources and the other emanating from their weak voice. NGOs in the field of activities targeting women always make efforts to enhance the awareness of their women clients and consolidate their actions. Networking, building,
collaboration and integrating each other’s activities for building social capital are the pathways through which NGOs try to empower the marginalized communities.

Generally NGOs follow four clear cut strategies. These are charity, supplementing welfares of the state, encouraging people’s participation and implementation programs launched by the government for the larger benefit of the community, involving people in program planning, raising resources, implementing activities and sharing fruits of development and conscience instilling and organizing people, enabling them to demand and undertake planning and implementation of the development programs beneficial to them.  

Today, in India, there are 15,000 registered NGOs and many more non-registered informal groups. These organizations have touched the lives of an estimated number of 15 million persons. According to international estimate, 100 million persons have been helped worldwide by NGOs of one sort or another. These NGOs all over the world help in the alleviation of the problem of unemployment and under employment among the poor.

NGOs help the self help group in forming the by-laws for proper functioning. They advise the members to arrive at a consensus regarding the rules. They help the groups in conducting meeting, keeping books and accounts and in all other activities. The leaders are trained by the NGOs to carry out their duties effectively. Some

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NGOs have a system of contributing seed money assistance to the groups in the initial years for augmenting their resources for internal lending. Most of the NGOs in which many groups interact with each other have also helped the members to know about other groups’ interaction and the way they overcome their problems. Most of the groups feel that they will be able to carry on the group activities even after NGOs withdraw.

Recognizing the strength of NGOs in organizing the community and the potential in savings and credit programs, NABARD has involved itself in associating with NGOs. NGOs, MYRADA in Karnataka and SEWA in Gujarat are the forerunners in India. SEWA has promoted a co-operative bank exclusively for women and is engaged in financing income generating activities of women. The Working Women’s Forum (WWF), Chennai has organized women co-operative societies for pursuing income generating activities and facilitating empowerment of women. Attempts have also been made to replicate Bangladesh Grameen Bank model by SHARE in Andhra Pradesh and RDO in Manipur.

3.10 THE STRUCTURE OF SHGs

The organizational structure of a SHG consists of one animator, two representatives and members. The animators will be from the local village and must necessarily be a resident of the village. The animator should preferably be literate and must possess certain leadership qualities. She must be in a position to take on the role of a trainer for the group members in certain aspects of their daily life and group functioning, based on the training that would be given to her. In short, she must be a role model and
an agent for the groups and for the village as a whole. It is therefore necessary that she
should not be defaulter of bank loan herself. She should also not be an office bearer of
any other organization.

3.10.1 The Role of Animators

Animators play an important role in the functioning of a SHG. She is expected to
carry out the following functions:

- Convene and conduct women’s group meetings at regular intervals
- Create awareness of present social position, objectives of the programs and
  motivate building up of team spirit and teamwork
- Work for improvement of literacy and innumeracy of the group members
- Disseminate information to members about Governments development and
  welfare schemes, especially in relation to health and family welfare education etc.
- Facilitate group to identify appropriate income generating activities for members,
  co-ordinate with banks for getting loans and ensure prompt repayment
- Train the members in the procedures of bank transaction
- Motivate members towards collective thinking and action
- Work for improvement of social-economic development of members
- Ensure regular group savings by members
- Prompt updating and proper maintenance of minute book and all other account
  books
3.10.2 The Role of Representatives

Two representatives are nominated by the SHG from amongst members, rotated on a yearly basis.

They carry out the following functions:

- Convene the group meeting at regular intervals
- Assist the animator in the achievement of program objectives
- Operate bank account jointly as authorized by group
- Disseminate information received during training sessions to SHG members
- Assist group in getting bank loan, assets creation and motivation for repayment
- Handling case and all related banking activities
- Help problem solving within the group
- Try to mobile local resources for benefit of the group
- Management and effective use of group savings and loan funds
- Provide/Assist training of group member to improve their business skills, management of their activities and understanding of credit and banking procedures
- Carryout decisions of the group
- Represent the group in other forms like Block Level Co-ordination
- Conduct Committee (BLCC) and Cluster Level Federation (CLF) review meeting

The animator’s position must rotate amongst the representatives once in every two years. She will facilitate a smooth switchover of responsibilities in the above process. She
will also assist the representatives to learn about the role of the animator to facilitate the handover of responsibilities as and when required.

### 3.11 CLUSTER LEVEL FEDERATION

Federation of women groups will be promoted at the cluster level. This process is to commence within 6 months of one year of group formation. As a forerunner, participation in BLCC meeting is being insisted in the first two years. NGO can motivate them to evolve into cluster level federations, which are again informal groups. The monthly BLCC meetings are to be conducted by SHG women representatives (at the rate of one or two representatives from each SHG). Every SHG may think of selecting one member other than the animator/representative to represent the SHGs in the BLCC meetings so as to develop leadership qualities and to encourage the sharing of responsibility within each SHG.

The BLCC meetings are electing a couple of functionaries to convene meetings. They may be called secretary, Joint secretary or convener or representatives of the CLF. BLCC meetings are to be conducted by the SHG women themselves with the NGO/PIU staff sitting in preparation of agenda. The SHG women functionaries themselves write minutes and other petitions etc.

The facilitation should extend to having group discussion on relevant topics related to SHG management, double-entry account keeping and social issues problems
faced by SHGs. Experience sharing by SHG women on achievements must also be promoted along with the singing of awareness topics.

Cluster Level Federation is to be formed with the following guidelines:

- 15-25 groups to cluster
- 2 representatives from each group
- 2 years tenure for representatives and
- Rotation in alternate years

3.11.1 The Role of CLF

The following are the functions of a cluster level federation:

- Facilitating formation of new groups by other poor women
- Organizing annual auditing for the groups through a qualified auditor
- Organizing cluster level meeting, workshops
- Organizing cluster level events
- Assisting and taking over responsibility for SHG grading in the cluster
- Providing special support for weak groups after grading
- Financing the role is not advisable in early period unless the groups want to have this role for the cluster level in the organization
The CLF meetings should be periodically held monthly once at the venue, date and time, convenient to women. Membership fee may be collected from member groups for ensuring for federating structure.

3.12 MICRO FINANCE

In order to recognize the role of Micro-finance for the development of Micro entrepreneurship worldwide the UNO has declared the year 2005 as “The International year for Micro Finance”. Today, Micro finance has become the most preferred route to meet the credit requirements of the poor. Micro Finance (MF) is broadly defined as providing thrifts, credit and also other financial services and products of very small amount to the poor in rural/semi-urban areas for enabling them to raise their income and improve the living standards (Y.CNanda, 1999).

There are three distinct approaches for providing Micro finance services. They are:

- Conventional weaker section lending to individuals and groups.
- SHG-Bank Linkage Program where the financial Institution lends to SHGs.
- Lending by banks to other financial intermediaries such as, Self Help Promotion Institutions (SHPIs) or a lending to SHGs/NGOs depending upon their constitution.

Micro Finance Institutions (MFI) could belong to any of the following broad categories: Non-governmental organizations/voluntary agencies and federations of SHGs.
3.13 GUIDELINES FOR LINKING BANKS WITH SHG

The Reserve Bank of India has issued a circular reference 12 PCD No Plan BC 13/p 1-09-22/90-91 dt. 24th July, 1991 to commercial banks advising them to actively participate in the pilot projects of linking self help groups with banks. The RBI also gave directions regarding financing of informal groups in the circular.

3.13.1 Objectives of the Pilot Project

The objectives of the project could be:

- To evolve supplementary credit strategies for meeting the credit needs of the poor by combining the flexibility, sensitivity and responsiveness of the technical and administrative capabilities and financial of the formal financial institutions.
- To build up mutual trust and confidence between bankers and the rural poor.
- To encourage banking activity, both on the thrift and credit sides, in a segment of the population that formal financial institutions usually find difficult to cover.

3.13.2 Linkage Programming

The concerned bank may decide on the suitability of including particular branches under the project, once the SHGs and branches are indentified the linkage program, can start the likely linkage could be in the following manner. The banker is expected to provide credit in bank directly to the group, which may be informal or formal. The group
in turn would undertake on lending to the members. The Quantum of credit given to the group should be in proportion to the saving mobilized by the group. The proportion of savings to loan could vary from 1:1 to 1:4 depending on the assessment of the SHG by the bank.

In case of SHGs, where the local bank branch does not have adequate confidence in lending to them or in case where SHGs for various reasons are not willing to be linked directly with the bank, the bank may finance through voluntary agencies on the SHPI that has promoted the SHG, if it is willing to borrow from the bank and the bank is also prepared to lend to the SHPI. In such cases bulk financing could be considered.

Where bulk financing to voluntary is resorted to the concerned bank branch should closely observe the working of SHGs, attending their meetings and in other ways so that the branch may develop the necessary confidence among SHG and link up with it directly at the end of the bulk financing.

In case some members of SHGs require large loans then that could be covered under the savings related loans, the SHG could appraise the requirement and recommend the proposal to the bank for direct lending by the bank to the concerned member. In such cases the SHG should be willing to accept the responsibility for proper credit utilization and repayment by the member and for monitoring the same. In some cases the SHGs might apply to the bank for certain activities. The lending in such cases to the SHG for common activities would be subject to the usual terms and condition of lending adopted by banks and the refinance facilities would also be on usual terms.
3.13.3 Assessment of Credit

It would be necessary that the group prepares a credit plan for its members and are aggregate of that is submitted to the bank. To ensure flexibility in the lending operation of the group this document would have to be simple giving on indication of the proposed credit requirements.

3.13.4 Link between Bank and SHGs

The group needs the support of the local financial institution to provide finances to meet the growing demand. Linkage of SHGs to banks is expected to fill in this need.

Bankers while considering SHGs for linkage suggest certain criteria for consideration. They are:

SHGs should be active for at least a period of six months with successful savings and credit operations with own resources. Proper books of accounts and lending systems should be held and groups functioning in a democratic manner with member participation and good leadership should be kept.

Banks follow two model of linkage under the pilot project. In one model they directly deal with the SHG. In the second model, banks lend to the NGO which in turn lends to the SHG.

3.14 OPENING OF ACCOUNTS
Vide the RBI circular letter DBOD No. BC.63/31.01.89/92-93 dated 4\textsuperscript{th} January 1993, banks were allowed to open savings bank account of SHGs, under the pilot project. In order to facilitate promotion of SHGs and their eventual credit linkage with banks, it was decided that SHGs which are engaged in promoting the saving habits among their members, might be allowed to open savings bank accounts.

### 3.14.1 RATE OF INTEREST AND SECURITY NORMS

As per the operational guidelines of NABARD, SHGs are sanctioned savings linked loans by the banks (varying from a savings loan ratio of 1:1 to 1:4). Experience has shown that the group dynamics and peer pressure have brought in recovery for members of the SHGs. Security norms would continue to be operational under the linkage program even beyond the pilot phase.

Different levels under the SHG bank linkage program would continue-

- Refinance by NABARD – 6.5%
- Bank to SHG – 12.0%
- SHG to members – as decided by the SHG

Banks would charge interest on the finance provided to the groups for, on lending to the SHG’s at the rates indicated by the NABARD from time to time. Further the groups would be free to decide on the interest rate to be charged to the members, provided the rate of interest is not excessive.
3.14.2 TERMS AND CONDITIONS OF LOAN

Size of the group

The group size should be between twelve and twenty members. If the size exceeds twenty members, the groups should be registered as legal entity.

3.16.2 Security

Since the SHGs would not be in a position to offer any collateral security, the security norms for lending have to be relaxed so as to enable lending without security.

Documentation

The banks are required to keep the documents to be executed by the SHGs to the minimum. Most of the commercial banks have brought out specimen documents to be obtained from the SHGs. The usual documents to be obtained are the requisition from the SHG, copy of the resolution passed in the group agreeing to apply for loan, in turn the agreement executed among the group members, agreement between the bank and the SHG and sponsorship letter from the NGO, if available.

Purpose of Credit

The purpose for which the SHG will lend to the members is left to the notice of the group.
Assessment of requirement

The bank may obtain from the SHG an indicative statement of its proposed credit requirement on behalf of the members.

Repayment period

SHGs appeared to be too keen to recover loans given to their members within a short period as is possible than those prescribed by banks. The groups are generally fixing the repayment periods taking into account the total income derived by family from all sources not merely on the basis of income generated by the activity financed.

3.15 TRAINING PRE-REQUISITES

An important step in launching the linkage program with a particular bank would be to depute the concerned staff of the branch for an exposure program with the concerned NGOs/SHPI and SHGs. In case the concerned staff is transferred mid stream, the new incumbent may also depend for an exposure program at the earliest opportunity. If the banks manage to afford help, after an assessment of the SHG functioning, selected office bearers will give, members of the SHG short duration training in book keeping, maintenance of records and financial discipline. Such training can be organized by bank with the involvement of the NGO/SHPI.

3.16 GROWTH OF SHGs IN TAMIL NADU
The formation of the self help groups in Tamil Nadu got changed since 1989, with the help of a project called Tamil Nadu Women Development Project (Mahalir Thittam) which was jointly implemented by TNCDW Ltd, Indian Bank and NGOs. This project lays emphasis on the qualitative and socio-economic aspects of the development of women.

3.16.1 Tamil Nadu Corporation for Development of Women (TNCDU) Limited

TNCDW Ltd was established for the empowerment of women in December, 1983 by the Government of Tamil Nadu. Its registered office is located in Chennai while its area of operation extends to the entire state of Tamil Nadu.

This corporation implements (i) Tamil Nadu Women’s Development Project (Mahalir Thittam), (ii) Setting up of Research Centers for Women, (iii) Enterpreneur Development Program for Women (EDP), (iv) District level training – cum – marketing centers, (v) Free Gas Connection to the newly married couples under poverty line, (vi) Assistance to vocation and skill training program (VTP), (vii) Assistance for formation of 25,000 SHGs and (viii) Economic development project for pudhukkotai district for the socio economic development of women throughout Tamil Nadu.5

3.16.2 Mahalir Thittam

In Tamil Nadu ‘Mahalir Thittam’ scheme was announced in the Finance Bill for 1996-97. In the scheme it was proposed to promote 60,000 SHGs for the economic and

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5 www. tn. Govt. in/policy notes/social_welfare_4.htm.34k.
social up liftment of 10 lakh poor people. This scheme was proposed to cover the entire state. In memory of former Chief Minister of Tamil Nadu, Shri, C.N. Annadurai, this scheme was renamed with his mother’s name as “Bangaru Ammaiyar Ninaivu Mahalir Thittam”. At present, this Mahalir Thittam project is implemented in all the districts of Tamil Nadu both in rural and urban areas, including Chennai Corporation Limits. Tamil Nadu Women Development Project (Mahalir Thittam) is a process oriented project which lays emphasis on the qualitative and socio economic aspects of the development of women.

3.16.3 Objectives

Unless the down – trodden people are built up with a certain financial impetus, a nation cannot be called a developed one where it is to focus its attention mainly one the poorest of the poor women who pertain to BPL. For this purpose, at the first stage a Mahalir Thittam SHG, consisting of 12-20 women are formed with the help of approved Non-Governmental Organisations wherein one Animator & 2 Representatives would lead the Group.

3.16.4 Mission

The Mission of the Mahalir Thittam Self Help Groups are (i) Economic upliftment (ii) Capacity building of poor and disadvantaged women and (iii) and social development. It is intended to empower the down-trodden women including widows, destitute, handicapped and SC/ST women in order to lift them permanently above
poverty line, enabling them for essential capacity building, motivating towards social development.\textsuperscript{6}

The growth of SHGs in Tamil Nadu since 1999 to 2000 is shown in Table 3.1

\begin{table}
\centering
\begin{tabular}{|c|c|c|}
\hline
Year & Group formed in the Year & Cumulative Total & Women Enrolled in the Year & Cumulative Total \\
\hline
1999-2000 & 4114 & 4114 & 74505 & 74505 \\
\hline
\end{tabular}
\end{table}

\textsuperscript{6} Mahalir Thittam, writeup.
From the Table 3.1 it is inferred that the formation of SHGs under Mahalir Thittam is continuously expanding and also the enrolment of women exceeded the target (10 lakhs) and as on March 31, 2005, there were 18.2 lakhs of women in SHGs. In the year 2008-2009, SHGs formed under Mahalir Thittam had a tremendous increase of 1, 20,452 which was above the target of 1, 15,000 lakhs SHGs.

**TABLE: 3.2**

**PROGRESS UNDER MICROFINANCE-SAVINGS OF SHGS WITH BANKS AGENCY-WISE POSITION AS ON 31ST MARCH, 2010**

(Amount in ` Lakhs)
<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the Agency</th>
<th>Total Savings of SHGs with Banks as on 31st March, 2010</th>
<th>Out of Total-under SGSY</th>
<th>Out of Total-Exclusive Women SHGs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No.of SHGs</td>
<td>Saving Amount</td>
<td>No.of SHGs</td>
</tr>
<tr>
<td>1.</td>
<td>Commercial Banks</td>
<td>4052915</td>
<td>367389.24</td>
<td>1088160</td>
</tr>
<tr>
<td>2.</td>
<td>Regional Rural Bank</td>
<td>1820870</td>
<td>129937.49</td>
<td>462370</td>
</tr>
<tr>
<td>3.</td>
<td>Cooperative Bank</td>
<td>1079465</td>
<td>122544.16</td>
<td>143380</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>6953250</strong></td>
<td><strong>619870.89</strong></td>
<td><strong>1693910</strong></td>
</tr>
</tbody>
</table>

*Source: NABARD Annual Report 2009-10*

It has been observed from the table 3.2 that the savings made by the SHGs at India level. The total amount of savings made by the SHGs in different banks is claimed as `619870.89 (in lakhs). Out of which, `129262.22 (in lakhs) have been accounted for SHGs working under SGSY and `449865.75 lakhs amount were saved by SHGs exclusively.*
meant for women self-help groups, in India. There are three major category of banks have played major role for providing micro-finance to the self-help groups all over India.

**TABLE 3.3**

**PROGRESS UNDER MICROFINANCE – BANKS LOANS DISBURSED OF SHGS AGENCY-WISE LOANS DISBURSED DURING 2009-10**

(Amount in ` Lakhs)

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the Agency</th>
<th>Loan disbursed to SHGs by Banks during the year</th>
<th>Out of Total-under SGSY</th>
<th>Out of Total-Exclusive Women SHGs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No.of SHGs</td>
<td>Loans disbursed</td>
<td>No.of SHGs</td>
</tr>
<tr>
<td>1.</td>
<td>Commercial Banks</td>
<td>977521</td>
<td>978018.55</td>
<td>157560</td>
</tr>
<tr>
<td>2.</td>
<td>Regional Rural Bank</td>
<td>376797</td>
<td>333320.06</td>
<td>67531</td>
</tr>
<tr>
<td>3.</td>
<td>Cooperative Bank</td>
<td>232504</td>
<td>133991.75</td>
<td>42312</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1586822</td>
<td>1445330.36</td>
<td>267403</td>
</tr>
</tbody>
</table>

Source: NABARD Annual Report 2009-10
The Table 3.3 reveals that the bank loans disbursed to the SHGs during the year 2009-10. The total amount of loan disbursed to SHG is claimed as `1445330.35 lakhs, among which `219800.06 lakhs is accounted to SHGs which, are operating under the SGSY Scheme. And out of the total loan amount disbursed, `1242936.80 is entered and accounted by the SHGs which are purely meant for women SHGs in India.

From the inference, it may be concluded that the major position of the loan disbursed is occupied by exclusive for women self-help groups in India. They are also accounted more in number of self-help groups.

**TABLE 3.4**  
**STATUS OF SHGS AS ON 31.12.2010**

<table>
<thead>
<tr>
<th>Self Help Groups formed by TNCDW Ltd</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No.of SHGs</td>
<td>4,89,008</td>
</tr>
<tr>
<td>Rural</td>
<td>3,31,937</td>
</tr>
<tr>
<td>Urban</td>
<td>1,57,843</td>
</tr>
<tr>
<td>No.of SHG Members</td>
<td>75,66,497</td>
</tr>
<tr>
<td>Rural</td>
<td>51,76,219</td>
</tr>
<tr>
<td>Urban</td>
<td>23,90,278</td>
</tr>
</tbody>
</table>

**Financial Linkages to SHGs**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total savings of SHGs</td>
<td>2,973 crores</td>
</tr>
<tr>
<td>Revolving fund provided so far</td>
<td>4,34,029 SHGs</td>
</tr>
<tr>
<td><strong>Credit Linkage Provided so far</strong></td>
<td>10,658.16 crores</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td><strong>Federation of SHGs</strong></td>
<td></td>
</tr>
<tr>
<td>No.of Habitation Level Forums (HLFs)</td>
<td>10,896</td>
</tr>
<tr>
<td>No.of Panchayat Level Federation restructured</td>
<td>4,697</td>
</tr>
<tr>
<td><strong>Support Organizations</strong></td>
<td></td>
</tr>
<tr>
<td>No.of Banks involved</td>
<td>21</td>
</tr>
<tr>
<td>No.of Banks Branches involved</td>
<td>6300</td>
</tr>
<tr>
<td>No.of NGOs Affiliated</td>
<td>448</td>
</tr>
<tr>
<td>No.of PLFs Affiliated</td>
<td>306</td>
</tr>
<tr>
<td>No.of Training Institutions</td>
<td>256</td>
</tr>
<tr>
<td><strong>Marketing support to SHGs</strong></td>
<td></td>
</tr>
<tr>
<td>Types of SHG Products</td>
<td>327</td>
</tr>
<tr>
<td><strong>No.of Marketing Complexes in the State</strong></td>
<td></td>
</tr>
<tr>
<td>Main Complexes</td>
<td>29</td>
</tr>
<tr>
<td>Additional Buildings</td>
<td>22</td>
</tr>
<tr>
<td>Complexes at Block/Village Level</td>
<td>256</td>
</tr>
<tr>
<td>Village Hurts</td>
<td>86</td>
</tr>
<tr>
<td><strong>SHG Infrastructure</strong></td>
<td></td>
</tr>
<tr>
<td>No.of SHG Buildings</td>
<td>12,618</td>
</tr>
<tr>
<td>No.of Buildings taken up for construction</td>
<td>1,057</td>
</tr>
<tr>
<td><strong>Placement linked skill training for youth</strong></td>
<td></td>
</tr>
<tr>
<td>No.of Youth Trained so far</td>
<td>87,105</td>
</tr>
</tbody>
</table>
Youth placed in private sector     58,360
No. of Training Institutions    256
Types of Trades                45

**Source:** Report of Tamilnadu Corporation for Development of Women Ltd., Chennai.

The table 3.4 reports that the performance of SHGs and their various activities, at Tamilnadu level. There are 489008 SHGs which have been formed by Tamilnadu Corporation for women development in Tamilnadu, by organizing the separate department in every district of Tamilnadu. The total savings of SHGs have made `2,973 crores and also number of banks involved to performing this levels is 21 and their branches including 6300 branches working in Tamilnadu for the development of SHGs. There are 448 NGOs which are affiliated with the TNCDW and 256 training institutes which served as training agents were approved by the Govt. of Tamilnadu to provide training facilities to the women self-help group members in different levels. According to this, 87,105 youth SHG members were trained so far.

At present, 327 products have been produced by SHG members and 29 main complexes, and 22 additional buildings were constructed and rendered to SHGs for operating their marketing practices. There are 256 complexes in and around the states which are purely meant for SHGs for marketing their products in main market places at free cost of rent (rent free shops).
Table 3.5 shows the strength of the SHG’s and their saving performances in Tamilnadu district-wise. Among the 32 districts, at Pudukottai district an account of 11324 groups have been formed and 180438 women were enrolled. Their overall saving performance is `21450.02 lakhs is registered. It shows the better performance of Pudukottai district SHG’s as compared with other districts.

3.19 GROWTH OF SELF HELP GROUPS IN PUDUKOTTAI DISTRICT
In the study area, the SHGs were started during the year 1997-98 as the Mahalir Thittam. It commenced in the Pudukottai district from November 1997. At present (2010) there are 11 approved NGOs in the Pudukottai/study area. The total number of SHGs in this district was 11,324 consisting of 1, 80,438 members. The SHGs by their excellent performance had earned the confidence of every one and had been applauded. Pudukottai is the only district in the state that holds the grievance day meet for the SHGs. All the representatives of the groups were being given importance and their problems were being sorted out. A commercial complex for selling SHG’s products had been constructed at a cost of 3,899.79 lakhs and 770 SHGs had been formed in the selected six blocks. Out of 5,503 SHGs, 1,178 groups belongings to SC/ST women who have enrolled themselves as SHG members.

### TABLE 3.5

**GROUP FORMATION IN TAMIL NADU – DISTRICT-WISE AS ON 31.03.2010**

<table>
<thead>
<tr>
<th>District</th>
<th>Rural Group Formed</th>
<th>Rural Women Enrolled</th>
<th>Savings ` in Lakhs</th>
<th>Urban Groups Formed</th>
<th>Urban Women Enrolled</th>
<th>Savings ` in Lakhs</th>
<th>Total Groups Formed</th>
<th>Total Women Enrolled</th>
<th>Total Savings ` in Lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

142
<table>
<thead>
<tr>
<th>Code</th>
<th>Name</th>
<th>Type</th>
<th>Code</th>
<th>Name</th>
<th>Type</th>
</tr>
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<tbody>
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<td>5991</td>
<td>23620</td>
<td>3224.00</td>
<td>717</td>
<td>11113</td>
<td>303.14</td>
</tr>
<tr>
<td>0</td>
<td>23620</td>
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<td>9948.75</td>
<td>23620</td>
<td>366110</td>
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<tr>
<td>9842</td>
<td>5022.78</td>
<td>5037</td>
<td>78073</td>
<td>3502.40</td>
<td>14879</td>
</tr>
<tr>
<td>13890</td>
<td>8122.87</td>
<td>3815</td>
<td>59132</td>
<td>2171.52</td>
<td>17705</td>
</tr>
<tr>
<td>6807</td>
<td>6665.92</td>
<td>1198</td>
<td>18569</td>
<td>581.97</td>
<td>8005</td>
</tr>
<tr>
<td>10776</td>
<td>4398.29</td>
<td>2793</td>
<td>43291</td>
<td>551.71</td>
<td>13569</td>
</tr>
<tr>
<td>9456</td>
<td>5758.05</td>
<td>5975</td>
<td>92612</td>
<td>3186.70</td>
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<tr>
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<td>109027</td>
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<tr>
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<td>5773.94</td>
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<tr>
<td>3510</td>
<td>1985.20</td>
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<td>58218</td>
<td>2253.50</td>
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<td>562</td>
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<td>9832</td>
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<td>23126</td>
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<td>6807.90</td>
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<td>29589</td>
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</tr>
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</tr>
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<td>95604</td>
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<td>1640</td>
<td>25420</td>
<td>498.60</td>
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<tr>
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<td>4295.50</td>
<td>4720</td>
<td>73160</td>
<td>2896.46</td>
</tr>
<tr>
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<td>172736</td>
<td>7191.96</td>
<td>4242</td>
<td>65751</td>
<td>2048.34</td>
</tr>
<tr>
<td>10415</td>
<td>166640</td>
<td>5466.40</td>
<td>4915</td>
<td>76182</td>
<td>2465.17</td>
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<tr>
<td>13653</td>
<td>218448</td>
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<td>43942</td>
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